

## EXHIBIT 82

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF OHIO  
3                   EASTERN DIVISION

4                   IN RE NATIONAL PRESCRIPTION         Hon. Dan A. Polster  
5                   OPIATE LITIGATION  
6                   MDL No. 2804  
7                   THIS DOCUMENT APPLIES TO ALL         No. 17-MD-2804  
8                   CASES

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10                  \_\_\_\_\_/

11                  HIGHLY CONFIDENTIAL -  
12                  SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

13                  --  --  --  
14                  THURSDAY, JANUARY 17, 2019  
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19                  Videotaped Deposition of ARTHUR F. MORELLI,  
20                  held at the Law Offices of ROBBINS GELLER RUDMAN &  
21                  DOWD LLP, 655 West Broadway Street, Suite 1900,  
22                  San Diego, California, beginning at 9:10 a.m., before  
23                  Sandra Bunch VanderPol, FAPR, RMR, CRR, CALIFORNIA  
24                  CSR #3032  
25                  --  --  --

26  
27                  \_\_\_\_\_  
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31

<p style="text-align: right;">Page 126</p> <p>1        THE WITNESS: They sold them to other 2 manufacturers. 3 BY MR. SAMSON: 4        Q. Do you know whether they sold any 5 through distribution centers -- 6        MR. DAVISON: Objection to form. 7 BY MR. SAMSON: 8        Q. -- for patient use? 9        MR. DAVISON: Sorry. Objection to form. 10      THE WITNESS: So you started talking about 11 API, and then you moved over to dosage form. So you 12 want to know about the API? 13 BY MR. SAMSON: 14      Q. No. Dosage. 15      A. Oh, dosage. 16      Q. The API, that's just obviously -- 17 that's just going out in bulk powder and is going to 18 get made into whatever somebody else makes it into? 19      A. Yes. And that was a business they 20 had. So the Tylenol that you buy in the store, that 21 API is Mallinckrodt's -- or acetaminophen. 22      Q. They were, in fact, the world's 23 largest manufacturer of it; correct? 24      A. As far as other API, I don't know. 25 As far as dosage form of finish product or</p>	<p style="text-align: right;">Page 128</p> <p>1 applied to Florida pill mills and other sources, and 2 being driven up I-75 to the upper Midwest as well as 3 to Appalachia? 4        MR. DAVISON: Objection. 5        THE WITNESS: I am aware of pill mills, the 6 existence of pill mills, but I wasn't aware of the 7 term Oxy Express. 8 BY MR. SAMSON: 9        Q. Did anyone at Mallinckrodt, while you 10 were there, discuss especially Florida pill mills or 11 pill mills in general with you? 12      A. Absolutely. 13      Q. Who? 14      A. Oh, let me think. Well, we -- in our 15 training of sales reps, we train them as part of the 16 Medical Affairs portion of the training, we educated 17 them on what to look for in terms of pill mills; to 18 report those, and to stay away from those. 19      Q. Okay. And what were the indicia of 20 pill mills? 21      A. Generally speaking, lines out the 22 doors, license plates from various states in the 23 parking lot, doctor's office next to a pharmacy, 24 patients going through one after another, bing, bing, 25 bing, bing, in short periods of time. High patient</p>
<p style="text-align: right;">Page 127</p> <p>1 semi-finish product, I don't know. 2        Q. Okay. So you don't even know if 3 Mallinckrodt distributed, sold to distributors for 4 ongoing sale to patients, generics, opioids? 5      A. No. 6      MR. DAVISON: Objection to form. 7 BY MR. SAMSON: 8      Q. When you joined Mallinckrodt, had you 9 ever heard the term Oxy Express? 10     A. No. 11     Q. When did you first hear that term? 12     A. Right now. Today. 13     Q. Okay. You have no idea what that 14 means? 15     A. I have an idea what it means, but I 16 don't know if it's accurate or not. 17     Q. Okay. Tell me what you think it 18 means. 19     MR. DAVISON: Objection to form. 20     THE WITNESS: What I have a picture in my 21 mind of is, you know, a string, a linkage of people 22 diverting and abusing drugs. That's the painting -- 23 the picture it paints to me. 24 BY MR. SAMSON: 25     Q. All right. And you never heard of it</p>	<p style="text-align: right;">Page 129</p> <p>1 flow, those types of things. 2        Q. Okay. Did you at Medical Affairs 3 follow up to see whether or not that instruction was 4 put to use? 5        MR. DAVISON: Objection to form. 6        THE WITNESS: We received reports, yeah. We 7 received such -- those reports. 8 BY MR. SAMSON: 9        Q. And did you receive both reports of 10 salespeople calling on pill mills and having to be 11 restructured, so to speak, that a place they were 12 going was a pill mill? 13      A. No. 14      MR. DAVISON: Objection. 15      THE WITNESS: We received reports of they 16 walked up -- or walked in and walked out. 17 BY MR. SAMSON: 18      Q. Ms. Cathy Jackson, who you remember, 19 maybe? 20      A. I don't, actually, but -- 21      Q. Okay. 22      A. Yeah. 23      Q. -- told us -- 24      A. Our paths may have crossed. I don't 25 know.</p>

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<p>1       Q. -- told us last week that she thought      2 the ability of Florida physicians to both prescribe      3 and dispense opioids was one reason why Florida was a      4 hotbed for diversion.</p> <p>5       Did you even know about that?</p> <p>6       MR. DAVISON: Objection to form.</p> <p>7       THE WITNESS: I know that the prescribing      8 and dispensing linkage, there was a big problem,      9 yeah. But I don't know about the legal -- legality      10 of it.</p> <p>11 BY MR. SAMSON:</p> <p>12      Q. And I think you testified earlier      13 that you really didn't even know how Exalgo sales      14 were going; is that --</p> <p>15      A. That's true.</p> <p>16      Q. -- correct?</p> <p>17      Okay. And didn't have any sense of how many      18 Mallinckrodt generic oxy opioids were being sold in      19 Florida or anywhere else?</p> <p>20      A. True.</p> <p>21      Q. True for the entire time you were      22 there?</p> <p>23      A. Yeah.</p> <p>24      Q. Never any conversations with      25 Mr. Neuman, perhaps, or anyone else in Medical</p>	<p>1       THE WITNESS: And that's why we created the      2 C.A.R.E.S. Alliance, to help try to solve that      3 problem. Because my experience with the opioid,      4 so-called opioid crisis, is it was another report,      5 another report, and another report as to how many      6 people are dying. Not a report about what we are      7 going to do about it. That's what I wanted to      8 create. Do something about it.</p> <p>9 BY MR. SAMSON:</p> <p>10      Q. It's fair to say, then, that what you      11 picked up, both inside and outside Mallinckrodt      12 during your time on Medical Affairs, convinced you      13 that the effects of whatever was happening in the      14 opioid space were enough to require you to try and      15 develop a countermeasure against it?</p> <p>16      MR. DAVISON: Objection to form.</p> <p>17      THE WITNESS: We have a massive problem. We      18 have a massive problem that is taking place in this      19 country that's killing people. Yes. But sitting      20 here, and if it -- if the discussion, you know, in      21 some company somewhere never goes further than that,      22 we didn't do any good about it. Right? We just --      23 another rearticulation of the problem.</p> <p>24      I was tired of rearticulating and      25 complaining about a terrible problem without trying</p>
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<p>1 Affairs about the opioid epidemic, whether your      2 guys's fault or other manufacturers' fault?</p> <p>3       MR. DAVISON: Objection to form.</p> <p>4       THE WITNESS: So I wasn't focused on fault.      5 I was focused on solutions and prevention, not on      6 fault. There's plenty of fault, you know, that      7 people like to spread around and blame. I'm focused      8 on solutions.</p> <p>9       I'm not focused on why the -- who was      10 responsible for the cars crashing into one another.      11 I want antilock brakes and seatbelts and driver      12 training.</p> <p>13 BY MR. SAMSON:</p> <p>14      Q. I understand that. But you're also      15 not living outside of this world, and in particular      16 the United States, and you're working for a      17 pharmaceutical company. It doesn't seem possible      18 that you did not have discussions while you were at      19 Mallinckrodt, slash, Covidien with other people in      20 Medical Affairs about the opioid epidemic?</p> <p>21      A. No, we discussed --</p> <p>22      MR. DAVISON: Objection to form.</p> <p>23      THE WITNESS: We discussed the opioid -- the      24 problems that existed in society related to opioids.</p> <p>25      MR. SAMSON: Okay.</p>	<p>1 to fix it. I was going to be the start, an alliance,      2 of companies to work together to try to effect a      3 solution.</p> <p>4 BY MR. SAMSON:</p> <p>5       Q. And Mallinckrodt supported it for      6 awhile; true?</p> <p>7       A. They supported it while I was there,      8 yes.</p> <p>9       Q. And yet you were only there a couple      10 of years?</p> <p>11      A. I can only do what I can do when I'm      12 there with the support of my team, Herb Neuman, and      13 the CEO, who supported it.</p> <p>14      Q. He did support it?</p> <p>15      A. He did. That's why we got the budget      16 that we got.</p> <p>17      Q. And why did you leave?</p> <p>18      A. Frankly, I had had enough of living      19 in St. Louis when I was supporting a home in      20 San Diego. And my wife, being in the Bay Area      21 helping with our daughter's childcare and      22 triangulate, you know, three households, I was      23 frankly tired of it. And I hated St. Louis. So I      24 wanted to get back to San Diego.</p> <p>25      So I figured -- I felt that I had made a big</p>

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<p>1 impact. I had done what I could do. I got this      2 program developed, launched, implemented. I had a      3 well-trained team that could carry on. So I figured      4 it was time. I'm not so young that I'm building my      5 career, you know.</p> <p>6 Q. Okay.</p> <p>7 MR. DAVISON: Mark, we have been going a      8 little over an hour. It is time for a break.</p> <p>9 MR. SAMSON: Yes. Let's take a break.</p> <p>10 THE VIDEOGRAPHER: We are going off the      11 record. The time is 12:14 p.m.</p> <p>12 (Recess taken.)</p> <p>13 THE VIDEOGRAPHER: We are back on the      14 record. The time is 12:30 p.m.</p> <p>15 (Exhibit No. 6 was marked.)</p> <p>16 BY MR. SAMSON:</p> <p>17 Q. Mr. Morelli, you have in front of you      18 what has been marked as Exhibit 6, in which says that      19 it's a, "Sales Force Training REMS and Safe Use." Do      20 you see that?</p> <p>21 A. Yes, I do.</p> <p>22 Q. And your name is down there, along      23 with a Mr. Holman. Does that indicate you were      24 either the authors of this slide set or was going to      25 speak from it whenever it was in use this day?</p>	<p>1 the event. But when the program was fully flushed      2 out, fully ready to go, ready to launch, that's when      3 we added the C.A.R.E.S. Alliance. That was after the      4 REMS and the Exalgo, launch of Exalgo.</p> <p>5 Q. Okay. And that date, launch of      6 Exalgo, 2010; if you recall?</p> <p>7 A. I don't recall. I don't recall.</p> <p>8 Q. Okay. I think we may run into it.</p> <p>9 A. Yeah. Yeah.</p> <p>10 Q. In a numbered form.</p> <p>11 And when Exalgo launched in 2010, it was a      12 Covidien/Mallinckrodt-branded analgesic?</p> <p>13 A. Yes.</p> <p>14 Q. And an opioid?</p> <p>15 A. Yes.</p> <p>16 Q. Extended-release hydromorphone?</p> <p>17 A. Yes.</p> <p>18 Q. And was the OROS delivery system that      19 it was in, the way in which it became an extended      20 release instead of an immediate release?</p> <p>21 A. Yes.</p> <p>22 Q. And that was because the OROS system      23 created a hard shell capsule, not like a contact, but      24 something that was difficult to bite through at      25 least; correct?</p>
<p>14 Page 135</p> <p>1 A. Yes. We were the authors of this      2 slide set, and Kevin reported to me. He was a member      3 of my team.</p> <p>4 Q. Would this be a slide set and a      5 presentation that you gave only once, so that you      6 might remember the time and date, or would this have      7 been given several times?</p> <p>8 MR. DAVISON: Objection to form.</p> <p>9 THE WITNESS: So I would say this is -- as      10 it is right now, it may have been something we gave      11 once or a couple times. But pieces of this were      12 given multiple times.</p> <p>13 BY MR. SAMSON:</p> <p>14 Q. And as you were leafing through it,      15 you saw, as I did, there's a C.A.R.E.S. Alliance      16 portion near the end of it; correct?</p> <p>17 A. That's right.</p> <p>18 Q. And can you recall a time when you      19 gave the "Sales Force Training REMS and Safe Use,"      20 and specifically added a C.A.R.E.S. Alliance piece to      21 it for one reason or another?</p> <p>22 A. Yes.</p> <p>23 Q. When was that, and what was the      24 event?</p> <p>25 A. So when -- when -- I don't remember</p>	<p>14 Page 137</p> <p>1 MR. DAVISON: Objection to form.</p> <p>2 THE WITNESS: Yes, there's some data to      3 indicate it was quite hard to bite through.</p> <p>4 BY MR. SAMSON:</p> <p>5 Q. And then what it would do is allow --      6 once it was swallowed and into the digestive tract,      7 allow water to come in osmotically, which would then      8 expel the drug through a tiny laser-drilled hole      9 through the shell?</p> <p>10 A. Yes.</p> <p>11 Q. And some engineer figured out the      12 diameter so that that push of essentially IR,      13 immediate release, immediate activity, hydromorphone      14 would be bled out over a long time?</p> <p>15 A. Yes. It wasn't the pharmacokinetics      16 of the molecule, it was the release kinetics from the      17 capsule.</p> <p>18 Q. Perfect. So all I need to ask you --      19 and I get the engineering explanation.</p> <p>20 So the REMS were part of -- which is risk,      21 evaluation, and mitigation strategy?</p> <p>22 A. Right.</p> <p>23 Q. And at that point those were required      24 for extended-release opioids, like Exalgo was going      25 to be, by the FDA?</p>

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1 A. Correct.	1 true. But I can tell you that was not any motivation
2 Q. Immediate-release formations were not	2 of doing C.A.R.E.S. Alliance, was related to that
3 forced to do REMS by the DEA or the FDA --	3 whatsoever. That was not in my -- that was not in my
4 A. It wouldn't be the DEA.	4 pitch to Herb and, you know, the CEO and the CFO to
5 Q. -- until 2015; do you know?	5 get the money to do the program because, you know,
6 A. I don't know the date, but it was	6 we're going to lose scripts. That was not even in my
7 later.	7 thinking.
8 Q. It was after you left?	8 Q. Since you left sales long before
9 A. It was.	9 that, that doesn't surprise me.
10 Q. And then C.A.R.E.S. Alliance came out	10 What was the pitch --
11 in the same general time frame as the launch of	11 MR. DAVISON: Objection.
12 Exalgo?	12 BY MR. SAMSON:
13 A. Slightly thereafter, I believe. But	13 Q. -- for?
14 I don't know. Very close, yeah.	14 MR. DAVISON: Sorry. I apologize.
15 Q. Okay. And was the C.A.R.E.S.	15 BY MR. SAMSON:
16 Alliance your baby, so to speak, from the initial	16 Q. What was the pitch to Herb -- and who
17 concept, or was there a C.A.R.E.S. Alliance thought	17 was the CEO, Mr. Wright?
18 process going on at Mallinckrodt, and then you came	18 A. No, he was not the CEO. It was --
19 and brought it to fruition?	19 his name was Matt Harbaugh, H-a-r-b-a-u-g-h.
20 A. No.	20 So the pitch was, if you look at slide, in
21 MR. DAVISON: Objection to form.	21 essence -- these pages aren't numbered, but it's the
22 THE WITNESS: It didn't exist until I	22 -847 MK number, that ends in -847.
23 brought it to existence, yeah.	23 Q. And what does it --
24 BY MR. SAMSON:	24 A. It says, "A concern we all have."
25 Q. Okay. And so you were basically the	25 Q. Okay.
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1 one who came up with that strategic vision and then	1 A. "A responsibility we share and a
2 did the tactical, as you earlier said, parts of	2 concern we all can champion."
3 putting it together, I'm assuming with other aid --	3 Q. And that became a fairly frequent
4 help from other people --	4 opening slide for C.A.R.E.S.?
5 A. Absolutely.	5 A. It's part of the essence of
6 Q. -- at Covidien?	6 C.A.R.E.S.
7 A. Right.	7 Q. Okay. And let me find it.
8 Q. And one of the things that I've seen	8 A. It's about the middle.
9 in C.A.R.E.S. documents is that the increase in use	9 MS. GAFFNEY: They have the Bates number.
10 of opioids and resulting abuse, addiction, and deaths	10 MR. SAMSON: I don't have them. That's the
11 have led to a backlash against the use of	11 real problem when you print them without it.
12 prescription pain medicine and have adversely	12 THE WITNESS: You've got it.
13 affected pain treatment for legitimate pain patients.	13 MR. SAMSON: There it is. Bingo.
14 Was that a concept, in your understanding,	14 Q. So the concern that you were pitching
15 why C.A.R.E.S. was something that needed to be done?	15 to Mr. Neuman and Mr. Harbaugh was what?
16 A. A huge --	16 A. We have a -- there's a big problem
17 MR. DAVISON: Objection to form.	17 going on. We have a big problem going on in this
18 THE WITNESS: -- hugely important concept.	18 country. Everybody needs to be aware of the problem,
19 BY MR. SAMSON:	19 to understand what this problem is all about. That's
20 Q. As a major manufacturer and seller	20 the concern.
21 and even distributor of opioids, Mallinckrodt stood	21 Q. Okay.
22 to lose sales as a result of a, quote, backlash	22 A. If you're not concerned about that,
23 against the use of prescription pain medicine, end	23 you need to be.
24 quote. Is that true?	24 Q. And that --
25 A. I assume it could potentially be	25 A. Then there was --